

810-5-26-.02 Powers of the Department – Revocation and Denial of Authority to Act as Designated Agent of the Department.

(1) The term "department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) Section 32-8-3(b)(4), **Code of Alabama 1975**, as amended, **permits empowers** the department to revoke the authority of any previously appointed designated agent of the department upon a finding by the department that the designated agent has failed to faithfully perform ~~their~~ its duties under Chapter 8, Title 32 of the **Code of Alabama 1975**, as amended, ~~This Section also provides, effective January 1, 2004, that the department may revoke the authority of any previously appointed designated agent of the department or deny an application for appointment as a designated agent of the department, if the designated agent or designated agent applicant or~~ has been ~~or is~~ convicted of violating any felony provisions of Chapter 8, Title 32, or Title 40 of the **Code of Alabama 1975**, as amended.

(3) If the department has cause to believe that a designated agent has failed to faithfully perform ~~their~~ its duties as set out in Chapter 8, Title 32 of the **Code of Alabama 1975**, as amended, or that a designated agent or designated agent applicant has been convicted of violating any felony provision of Chapter 8, Title 32, or Title 40 of the **Code of Alabama 1975**, as amended, then the department shall mail to that designated agent, or designated agent, applicant a written notice detailing the area or areas of alleged non-compliance. The written notice shall advise the designated agent or designated agent applicant, that ~~they have within~~ within ten (10) calendar days from the date of the department's written notice, ~~in which to submit~~ in which to submit a written response must be submitted either refuting the alleged non-compliance, or detailing the action they have taken to correct the area or areas of non-compliance, ~~that existed, or submit a written response as to why the felony conviction of a provision of Chapter 8 of Title 32, or of Title 40, Code of Alabama 1975, as amended, should not lead to the revocation or denial of the designated agent license. The written notice shall be mailed to the designated agent or designated agent applicant at the last known address contained in the department's records.~~

(4) If the designated agent ~~or designated agent applicant~~ fails to ~~respond~~ provide a satisfactory response in writing to the department within the prescribed ~~time allotted~~ 10 calendar day period, ~~or fails to take the necessary action to resolve the matter to the satisfaction of the department,~~ a designated agent revocation letter will be mailed to the designated agent advising ~~of the department's intention to revoke their authority as a designated agent has been revoked or to the designated agent applicant advising that their application for a designated agent license has been denied that its current access to process title applications as a designated agent is immediately suspended and that its authority as a designated agent will be revoked in thirty (30) calendar days.~~ that its current access to process title applications as a designated agent is immediately suspended and that its authority as a designated agent will be revoked in thirty (30) calendar days.

agent applicant fails to provide a satisfactory response in writing to the department within the prescribed 10 calendar day period, a designated agent application refusal letter will be mailed to the designated agent applicant advising that its application for a designated agent license has been denied. The designated agent revocation letter and designated agent application refusal letter shall also serve as notice to the designated agent or designated agent applicant of their right to appeal the department's intended action to the Administrative Law Division of the department. The letter shall be mailed to the designated agent or designated agent applicant, ~~certified mail return receipt requested, at the address of record at the last known address contained in the department's records.~~

(5) Under Section 40-2A-8, *Code of Alabama 1975*, as amended, the designated agent or designated agent applicant shall have thirty (30) calendar days from the date of the designated agent revocation letter or designated agent application refusal letter to file a written notice of appeal with the Administrative Law Division. If the Administrative Law Division does not receive written notice of appeal within the allotted time, the department's decision to revoke the authority of the designated agent or deny the authority of a designated agent applicant, will become final. The designated agent will be required to immediately deliver to the department their Designated Agent Certificate, monies collected and due the department, title applications, title documents used to support an application for certificate of title processed by the designated agent, and other title forms supplied to the agent by the department as a result of having been afforded designated agent status by the department. In order to insure compliance with the revocation process, the department may call upon any law enforcement agency of the state to seize the aforementioned items ~~Designated Agent Certificate, monies collected and due the department, title applications, title documents, and other title forms which that~~ the agent is required to surrender to the department provided the agent has not voluntarily returned the items.

(6) The department shall not allow any individual listed as a principal officer of a ~~preciously~~ previously revoked designated agent, or an employee or representative of the previously revoked designated agent whose actions contributed to the revocation of the designated agent, to circumvent the law and become a designated agent using a different company name or entity status. If the department determines that a principal officer, employee, or representative of a previous designated agent, whose designated agent status was revoked for failing to faithfully perform ~~their~~ its duties, has made application to be appointed as a designated agent of the department under a different company name, or entity status, the department shall have grounds to refuse the company's application for designated agent status.

(7) All designated agents are required to utilize the Department's Electronic Title Application Processing System (ETAPS) to generate, save and submit title application data and the required fees. Failure to obtain authorization to use ETAPS will result in the designated agent status being revoked. New

designated agents shall obtain authorization to use ETAPS within 30 days of establishment of the designated agent account.

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Authority: Sections 40-2A-7(a)(5) and 32-8-3(b)(2), Code of Alabama 1975

History: New rule: Filed November 5, 1997, effective December 10, 1997.

Amended: Filed May 18, 2004, effective June 22, 2004.